



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

FOR IMMEDIATE RELEASE
FEBRUARY 24, 2015

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NASHVILLE – The Tennessee Department of Commerce and Insurance (TDCI) is cautioning consumers to be alert to potential price gouging following February’s deadly winter ice storms that swept across Tennessee.

Tennessee’s price gouging laws make it unlawful for individuals and businesses to charge unreasonable prices for essential goods and services including gasoline, food, ice, fuel, generators, lodging, storage space, and other necessities in direct response to a disaster regardless of whether that emergency occurred in Tennessee or elsewhere. The price gouging law also makes it unlawful to charge a price that is grossly in excess of the price charged prior to the emergency. This price gouging act is triggered when a disaster is declared by the state or by the federal government. The Tennessee Emergency Management Agency declared a State of Emergency at 9 p.m., CST, on Monday, Feb. 16, 2015.

Penalties for violations of the act are up to \$1,000 per violation. Additionally, the Tennessee Attorney General in conjunction with TDCI’s Division of Consumer Affairs can request that a court issue injunctions and order civil penalties of up to \$1,000 for each violation. The state can also seek refunds for consumers.

“During times of crisis, most Tennesseans and Tennessee businesses work together to help their neighbors and their communities,” said TDCI Commissioner Julie Mix McPeak. “Unfortunately, there may be some who seek to take advantage of others during this disaster. We urge consumers to make informed choices when buying goods and services during a disaster and report suspected price gouging.”

In addition to home repair services and building supplies, some may need gasoline and emergency supplies and services. These goods and services are also subject to the price-gouging laws. Problems that sometimes arise after a natural disaster include price gouging (in which a business unreasonably raises rates on essential goods and services during a state of emergency or in response to a disaster), as well as fraud or misrepresentations in the areas of home repair and debris removal. For example, a fraudulent operator may take upfront monies promising to do a home repair or to remove debris and vanish without completing the work.

(MORE)

Consumers may also get shoddy repairs from unlicensed contractors, or they do not receive the goods and services at the promised price.

Here are some tips for consumers to remember in the aftermath February's winter storms:

- Avoid high pressure sales tactics urging you to act quickly before signing a contract. Take time to make a good decision.
- Do not pay money upfront. Wait until the job is finished.
- Ask questions and get references from people you trust before hiring someone to do work for you.
- Get the whole deal in writing. If a contractor promises you something, get it in writing.
- Keep a record of your property damage and any repairs made to your property. Take photos during the repair work and afterward. You should also take photos of any repair work you believe was not done correctly.

If you have a problem with a business, you can file a complaint at www.tn.gov/consumer or call toll-free 1-800-342-8385. Consumer Affairs has a price gouging online complaint form at <http://tn.gov/consumer/PriceGougeCmplnt.shtml>.

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About the Department of Commerce and Insurance: *The state Department of Commerce and Insurance is a diverse entity of six divisions charged with protecting the interests of consumers while providing fair, efficient oversight and a level field of competition for a broad array of industries and professionals doing business in Tennessee. Our divisions include the Division of Consumer Affairs, the Division of Insurance, the Division of Securities, the Division of TennCare Oversight, the Division of Fire Prevention and the Division of Regulatory Boards.*

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